UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JUDGE MARRERO

'08 CIV 3758

KEVIN CORNWELL, Individually and On Behalf of All Others Similarly Situated, Plaintiff, vs. CREDIT SUISSE GROUP, WALTER B. KIELHOLZ, HANS-ULRICH DOERIG, BRADY W. DOUGAN and RENATO FASSBIND, Defendants.	Civil Action No. <u>CLASS ACTION</u> COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS <u>DEMAND FOR JURY TRIAL</u>

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INTRODUCTION

1. This is a securities class action on behalf of all persons who purchased or otherwise acquired the American Depositary Receipts ("ADRs") of Credit Suisse Group ("Credit Suisse" or the "Company") and U.S. residents or citizens who purchased Credit Suisse stock between February 15, 2007 and February 19, 2008 (the "Class Period"), against Credit Suisse and certain of its officers and/or directors for violations of the Securities Exchange Act of 1934 ("1934 Act").

2. Credit Suisse is a global financial services company. On January 1, 2006, the Company aligned its organizational structure to form a fully integrated global bank, with three segments: Investment Banking, Private Banking and Asset Management. Credit Suisse is based in Zurich, Switzerland, with branch offices in the United States and around the globe. The Company's ADRs are listed on the New York Stock Exchange.

3. During the Class Period, defendants issued materially false and misleading statements regarding the Company's business and financial results. Defendants concealed the Company's failure to write down impaired securities containing mortgage-related debt. As a result of defendants' false statements, Credit Suisse ADRs traded at artificially inflated prices during the Class Period, reaching a high of $79.29 per share in April 2007.

4. On October 3, 2007, *Forbes* published an article entitled "More Cuts At Credit Suisse," which stated in part:

> Swiss bank Credit Suisse is cutting 170 jobs to cope with a weak market environment, bringing its total to 320 layoffs in one week. But the firm remains in a far stronger position than Switzerland's other big bank, UBS.
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> A spokesperson for Credit Suisse blamed ***"the current market environment"*** and ***"diminished client demand"*** for the new batch of firings, which are roughly equally divided between the bond and investment-banking departments. Credit Suisse would not say whether further cuts were planned.

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> Credit Suisse said late last month it would shed 150 employees, mainly from its mortgage-backed securities unit, after a turbulent summer following the unraveling of the American home-loan market that left investors reluctant to invest in many kinds of debt.
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> The question is whether more job cuts are in the cards across the banking sector. Credit Suisse Chief Executive Brady Dougan said on Wednesday that the mortgage-credit market would remain problematic for the next six to 18 months.

5. On October 31, 2007, Credit Suisse reported that its third quarter net income fell 31% to CHF 1.3 billion (Swiss francs) ($1.1 billion). Chief Executive Officer ("CEO") Brady W. Dougan ("Dougan") said "extreme market conditions" sparked by record U.S. home foreclosures forced the Company to write down fixed-income securities and leveraged loans. The Company blamed credit-market swings that caused $1.9 billion of write-downs and the first profit decline in a year.

6. Within three days of this announcement, Credit Suisse's ADRs declined from $67.70 to $61.75.

7. On February 12, 2008, Credit Suisse issued its fiscal year 2007 and fourth quarter 2007 results, in a press release which stated:

> Credit Suisse Group reported income from continuing operations of CHF 8,549 million for the full year 2007, an increase of 3% compared to 2006. Net revenues on a core results basis also increased 3% to CHF 36,130 million in 2007. Net income in 2007 was CHF 8,549 million, down from CHF 11,327 million in 2006, which included income from discontinued operations of CHF 3,070 million. Diluted earnings per share from continuing operations for 2007 were CHF 7.65 compared to CHF 7.19 for 2006, and were CHF 1.21 for the fourth quarter of 2007 compared to CHF 2.29 for the fourth quarter of 2006. The return on equity was 19.8% in 2007 and 12.4% in the fourth quarter of 2007.
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> **Investment Banking**
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> Investment Banking reported income from continuing operations before taxes of CHF 4,826 million for the full year 2007, a decrease of 19% compared to 2006, reflecting the challenging operating environment in the second half of the year. Net revenues decreased 2% in the full year, as higher revenues in equity trading, equity

underwriting and advisory and other fees were offset by significantly lower revenues in fixed income trading and debt underwriting. Total operating expenses increased 3% from 2006, primarily reflecting credits from insurance settlements for litigation and related costs of CHF 508 million in 2006. The compensation/revenue ratio was 50.6% in 2007 compared to 50.1% in 2006. The pre-tax income margin was 24.0% in 2007 compared to 29.1% in 2006.

In the fourth quarter of 2007, income from continuing operations before taxes was CHF 328 million, a decrease of 86% compared to the strong fourth quarter of 2006. Net revenues declined 36% from the same period a year earlier, due in large part to the impact of the current credit market dislocations on the fixed income businesses.

Net revenues reflected net writedowns in the leveraged finance and structured products businesses of CHF 1.3 billion in the fourth quarter of 2007. The leveraged finance business had net writedowns of CHF 231 million in the fourth quarter of 2007. Within this business, unfunded and funded non-investment grade loan commitments, both leveraged loan and bridge, were CHF 36.0 billion at the end of the quarter, down from CHF 58.6 billion at the end of the third quarter. The majority of the funded and unfunded loan commitments exposure is to large cap issuers with historically stable cash flows and substantial assets. The commercial mortgage-backed securities (CMBS) business had net writedowns of CHF 384 million in the quarter. Within this business, the origination gross exposure was CHF 25.9 billion at the end of the quarter, down from CHF 35.9 billion at the end of the third quarter. The vast majority of the loans are secured by stable, high quality, income-producing real estate to a diverse range of borrowers in the US, Europe and Asia. The residential mortgage-backed securities (RMBS) business had net writedowns of CHF 480 million in the fourth quarter of 2007. Within this business, the net US subprime exposure was CHF 1.6 billion at the end of the quarter, down from CHF 3.9 billion at the end of the third quarter. Other RMBS non-agency exposure was CHF 7.1 billion at the end of the fourth quarter, down from CHF 12.4 billion at the end of the previous quarter. The asset-backed securities collateralized debt obligations (CDO) origination, warehousing and synthetic businesses had net writedowns of CHF 164 million in the fourth quarter. The CDO business had net subprime exposure of CHF 2.7 billion at the end of the quarter, compared to CHF 2.3 billion at the end of the third quarter.

The decline in fixed income trading results in the fourth quarter of 2007, reflecting the dislocation in the structured products and credit markets, was partly offset by strong performances in the interest rate products, fixed income proprietary trading and foreign exchange businesses. Equity trading benefited from strong performances in the global cash, prime services and derivatives businesses in the fourth quarter. Equity proprietary trading returned to profitability after losses in the third quarter. Fixed income and equity trading also benefited from fair value gains of CHF 489 million in the fourth quarter due to widening credit spreads on Credit Suisse debt. Underwriting and advisory revenues declined compared to the fourth quarter of 2006, but improved compared to the third quarter of 2007.

> Total operating expenses decreased 9% compared to the fourth quarter of 2006, due primarily to a decrease in compensation and benefits expenses. The compensation/revenue ratio was 53.1% in the fourth quarter of 2007 compared to 42.2% in the fourth quarter of 2006, reflecting a significantly higher level of revenues in the fourth quarter of 2006. The pre-tax income margin was 8.4% in the fourth quarter of 2007 compared to 38.5% in the fourth quarter of 2006.

8. Then, on February 19, 2008, Credit Suisse issued a press release entitled "Repricing of certain asset-backed positions," which stated in part:

> Further to its commitment to provide transparency, Credit Suisse today announced that in connection with the operation of ongoing control processes, it has undertaken an internal review that has resulted in the repricing of certain asset-backed positions in its Structured Credit Trading business within Investment Banking. The current total fair value reductions of these positions, which reflect significant adverse first quarter 2008 market developments, are estimated at approximately USD 2.85 billion (having an estimated net income impact of approximately USD 1.0 billion). In the first quarter to date, we estimate we remain profitable after giving effect to these reductions. The final determination of these reductions will depend on further results of our review and continuing market developments. We will also assess whether any portion of these reductions could affect 2007 results. Finally, our internal review, which has identified mismarkings and pricing errors by a small number of traders in certain positions in our Structured Credit Trading business, is continuing.
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> This disclosure is being made in connection with the closing, on February 19, 2008, of USD 2 billion 5.75% Subordinated Notes due 2018.

9. On February 20, 2008, *The Wall Street Journal* reported on Credit Suisse's "valuation failings," stating in part:

> Just last week, executives at Credit Suisse Group were patting themselves on the back for reporting fairly good results for 2007 and navigating the global credit crisis largely unscathed. Now, the Swiss bank has become the latest to disappoint Wall Street, announcing a surprise $2.85 billion hit from trades gone wrong.
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> The loss – much of it related to market turmoil of recent weeks – suggests the first quarter will be ugly for other banks. It also demonstrates that even banks with the best risk-management systems are having a hard time getting a grip on their vast securities businesses, meaning no one is safe from unpleasant surprises.
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> The disclosure represents a blow to Chief Executive Brady Dougan, who has prided himself on his success in reining in the risk-seeking culture that had made the Swiss bank notorious for getting hit hard by financial crises.

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> In an announcement that sent its American depositary shares down 5.2%, the bank said the loss – related to incorrect values its traders put on certain complex debt securities and to the falling market value of securities – would lower its first-quarter profit by $1 billion. The bank suspended a handful of traders, and people familiar with the situation said they included the head of a London unit that specialized in debt pools known as collateralized debt obligations, or CDOs. The bank is still assessing whether the problem will force it to restate its 2007 results.
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> The mispricing of securities is a serious issue that has increasingly attracted the attention of U.S. and European regulators. In the U.S., federal prosecutors and securities regulators are examining the ways in which firms such as Merrill Lynch & Co. and UBS AG valued subprime-mortgage securities. Credit Suisse said it has notified regulators about its problems. A spokesman for the Swiss banking commission said the body had been informed by Credit Suisse but declined to commend further pending a more thorough investigation.
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> Credit Suisse said only a small portion of the loss resulted from the mispricing of securities. People familiar with the situation said the mispricing occurred in a London trading unit. The mispricing followed a downturn in the markets. The rest, it said, stemmed from a drop over the past six weeks in the value of the bank's holding of residential-mortgage securities, including subprime, and CDOs. As of Dec. 31, the bank held subprime residential-mortgage-backed securities totaling 1.6 billion Swiss frands ($1.45 billion) and CDOs totaling 2.7 billion Swiss francs.
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> In an incident from the late 1980s known as the "Burning Bed," First Boston Corp. – which later became a unit of Credit Suisse – suffered heavy losses on a bridge loan to the purchasers of Ohio Mattress Co. The bank also suffered major losses in the emerging-markets crisis of the late 1990s.
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> "The leopard doesn't change its spots," Helvea analyst Peter Thorne wrote in a note to investors.

10. On this news, Credit Suisse's ADRs collapsed to close at $48.22 per ADR on February 19, 2008, on volume of 2.6 million ADRs, a decline of almost 31% from $69.61 per ADR in early October 2007.

11. The true facts, which were known by the defendants but concealed from the investing public during the Class Period, were as follows:

(a) Defendants failed to record losses on the deterioration in mortgage assets and collateralized debt obligations ("CDOs") on its books caused by the high amount of non-collectible mortgages included in the portfolio;

(b) Credit Suisse's internal controls were inadequate to ensure that losses on residential mortgage-related assets were accounted for properly; and

(c) Credit Suisse's traders had put incorrect values on CDOs and other debt securities, concealing the exposure the Company had to losses.

12. As a result of defendants' false statements, Credit Suisse shares traded at inflated prices during the Class Period. However, after the above revelations seeped into the market, the Company's ADRs were hammered by massive sales, sending them down more than 38% from their Class Period high.

JURISDICTION AND VENUE

13. Jurisdiction is conferred by §27 of the 1934 Act. The claims asserted herein arise under §§10(b) and 20(a) of the 1934 Act and SEC Rule 10b-5.

14. Venue is proper here pursuant to §27 of the 1934 Act. Many of the false and misleading statements were made in or issued from this District. Credit Suisse has offices in this District and many of the acts and transactions giving rise to the violations of law complained of occurred here.

15. In connection with the acts alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the national securities markets.

THE PARTIES

16. Plaintiff Kevin Cornwell purchased Credit Suisse stock described in the attached certification and was damaged thereby.

17. Defendant Credit Suisse is a global financial services company. Effective January 1, 2006, the Company aligned its organizational structure to form a fully integrated global bank, with three segments: Investment Banking, Private Banking and Asset Management. Credit Suisse is based in Zurich, Switzerland, and has branch offices in the United States and around the globe.

18. Defendant Walter B. Kielholz ("Kielholz") is, and at all relevant times was, Chairman of the Board of Credit Suisse.

19. Defendant Hans-Ulrich Doerig ("Doerig") is, and at all relevant times was, Vice Chairman of the Board of Directors of Credit Suisse.

20. Defendant Brady W. Dougan ("Dougan") is, and at all relevant times was, a director of Credit Suisse, and since May 2007 has served as CEO of the Company.

21. Defendant Renato Fassbind ("Fassbind") is, and at all relevant times was, Chief Financial Officer ("CFO") of Credit Suisse.

22. Defendants Kielholz, Doerig, Dougan and Fassbind (the "Individual Defendants"), because of their positions with the Company, possessed the power and authority to control the contents of Credit Suisse's quarterly reports, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. They were provided with copies of the Company's reports and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions with the Company, and their access to material non-public information available to them but not to the public, Kielholz, Doerig, Dougan and Fassbind knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public and that the positive representations being made were then materially false and misleading. Kielholz, Doerig, Dougan and Fassbind are liable for the false statements pleaded herein at ¶¶25, 27,

30, 32 and 34. Defendants were compensated in part on the reported performance of Credit Suisse and its share price. For 2006, Kielholz was compensated CHF 16 million, while another 12 members of management received CHF 10.9 million.

FRAUDULENT SCHEME AND COURSE OF BUSINESS

23. Defendants are liable for: (i) making false statements; or (ii) failing to disclose adverse facts known to them about Credit Suisse. Defendants' fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of Credit Suisse stock and ADRs was a success, as it: (i) deceived the investing public regarding Credit Suisse's prospects and business; (ii) artificially inflated the prices of Credit Suisse stock and ADRs; and (iii) caused plaintiff and other members of the Class to purchase Credit Suisse stock and ADRs at inflated prices.

BACKGROUND

24. Credit Suisse operates as a financial services company. The Company operates in three segments: Investment Banking, Private Banking, and Asset Management. The Investment Banking segment supplies investment banking and securities products and services to corporate, institutional, and government clients worldwide. This segment's products and services include debt and equity underwriting, sales and trading, mergers and acquisitions, divestitures, corporate sales, restructuring, and investment research. The Private Banking segment offers investment advice; wealth management solutions, including pension planning, life insurance products, and tax and wealth planning; and inheritance advice, which is tailored to the needs of high-net-worth individuals. It also supplies banking products and services to high-net-worth, corporate, and retail clients in Switzerland. The Asset Management segment supplies products from the investment classes, such as money market, fixed-income, equities, balanced, and alternative investments to meet the needs of institutional, government, and private clients worldwide.

DEFENDANTS' FALSE AND MISLEADING STATEMENTS ISSUED DURING THE CLASS PERIOD

25. On February 15, 2007, Credit Suisse issued its fiscal year 2006 and fourth quarter 2006 results, in a press release which stated:

> Credit Suisse Group today reported net income of CHF 11,327 million for the full year 2006, up 94% compared to net income of CHF 5,850 million for 2005. Net income for 2006 included a net capital gain of CHF 1,817 million from the sale of Winterthur, which was recorded in the fourth quarter. Basic earnings per share from continuing operations were CHF 7.53 for the full year 2006, compared to CHF 3.98 for 2005. Basic earnings per share were CHF 10.30 for the full year 2006, compared to CHF 5.17 for 2005. Fourth-quarter 2006 net income totaled CHF 4,673 million, compared to net income of CHF 1,103 million in the fourth quarter of 2005. Credit Suisse recorded net new assets of CHF 95.4 billion for the full year 2006.
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> "2006 was a record year for Credit Suisse. Our integrated banking model proved successful and provided us with an effective platform to capture the growth opportunities arising from high levels of client activity, while at the same time significantly improving our profitability," stated Oswald J. Grübel, CEO of Credit Suisse.
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> He added: "In our first year as an integrated bank, we have made excellent progress in strengthening our operating efficiency but there is still great potential for further improvement as we continue to invest in the growth of our business."
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> He concluded: "Our clients have responded well to our integrated approach and Credit Suisse now has excellent opportunities for further growth in the context of globalization, which we believe will create dynamic markets for the foreseeable future."
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> **Investment Banking**
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> The Investment Banking segment reported record income from continuing operations before taxes of CHF 5,951 million for the full year 2006, an increase of CHF 4,352 million compared to 2005, with strong contributions across the underwriting, advisory, fixed income trading and equity trading businesses. Excluding the CHF 508 million of credits from insurance settlements for litigation and related costs in 2006 and the CHF 960 million charge to increase litigation reserves in 2005, income from continuing operations before taxes rose 113% in 2006. Net revenues increased 32% to a record level in 2006, driven by a strong performance across all key business areas and regions amid favorable market conditions, high levels of deal activity and improved market share in certain products. Total operating expenses for the full year increased 4%, or 15% excluding the insurance settlements and litigation charge. The compensation/revenue ratio was 50.1% in 2006, compared to 55.5% for 2005. The pre-tax income margin was 29.1%,

or 26.6% excluding the insurance settlements, compared to 16.5% excluding the litigation charge in 2005.

In the fourth quarter of 2006, income from continuing operations before taxes totaled a record CHF 2,342 million, an increase of CHF 2,056 million compared to the fourth quarter of 2005. Net revenues grew 63% to a record level in the fourth quarter of 2006, benefiting from strong performances in both the investment banking and trading businesses. Total operating expenses rose 8% compared to the fourth quarter of 2005, primarily reflecting higher compensation expenses in line with higher revenues, partly offset by a decrease in other expenses due to improvements in operating efficiency. The compensation/revenue ratio was 42.2% in the fourth quarter of 2006, compared to 53.5% in the first three quarters of the year. The pre-tax income margin was 38.5% in the fourth quarter of 2006, compared to 7.7% in the fourth quarter of 2005.

Private Banking

The Private Banking segment, which comprises the Wealth Management and Corporate & Retail Banking businesses, reported record income from continuing operations before taxes of CHF 4,596 million for the full year 2006, an increase of 16% compared to 2005.

In the fourth quarter of 2006, income from continuing operations before taxes was CHF 1,143 million, an increase of 11% compared to the fourth quarter of 2005.

The Wealth Management business reported record income from continuing operations before taxes of CHF 3,237 million for the full year 2006, an improvement of 22% compared to 2005. Net revenues grew 15% and total operating expenses rose 12%. The pre-tax income margin was 39.6% for 2006, compared to 37.3% in 2005.

In the fourth quarter of 2006, income from continuing operations before taxes amounted to CHF 811 million, up 15% from the fourth quarter of 2005. This increase reflected strong net revenues driven by higher commissions and fees, mainly from brokerage, product issuances and asset-based fees, as well as higher net interest income from higher liability margins and liability volumes. The growth in net revenues more than offset a 10% rise in total operating expenses, driven primarily by higher personnel expenses related to strategic investments in the global business and higher performance-related compensation expenses. The pre-tax income margin was 39.0% for the fourth quarter of 2006, compared to 37.6% in the fourth quarter of 2005.

The Corporate & Retail Banking business reported a 4% increase in income from continuing operations before taxes to CHF 1,359 million for the full year 2006, compared to 2005. Net revenues increased 4% in 2006 and total operating expenses rose 1%. The pre-tax income margin was 38.9% for 2006, compared to 38.7% in 2005.

In the fourth quarter of 2006, income from continuing operations before taxes was CHF 332 million, an increase of 3%, compared to the same period of 2005. Net revenues grew 6%, driven by higher asset based commissions and fees and increased net interest income. Total operating expenses rose by 7% due to higher compensation and benefits, primarily reflecting higher performance-related compensation expenses. The pre-tax income margin was 37.1% for the fourth quarter of 2006, compared to 38.0% in the fourth quarter of 2005.

Asset Management

The Asset Management segment reported income from continuing operations before taxes of CHF 508 million for the full year 2006, a decline of 50% compared to 2005. This decrease reflects lower private equity and other investment-related gains, which are cyclical in nature, and higher operating expenses, partly due to the realignment of the business in 2006. Net revenues rose 2% compared to the previous year and net revenues before private equity and other investment-related gains grew 12%, reflecting the growth in assets under management. Private equity and other investment-related gains totaled CHF 502 million in 2006, a decrease of 28% from 2005. Total operating expenses rose 31% in 2006, including CHF 225 million of realignment costs. The pre-tax income margin was 17.8% for 2006, compared to 35.9% in 2005. As of December 31, 2006, assets under management totaled CHF 669.9 billion, an increase of 14% from December 31, 2005.

In the fourth quarter of 2006, income from continuing operations before taxes totaled CHF 89 million, a decrease of 63% compared to the fourth quarter of 2005. Net revenues declined 3% in the fourth quarter of 2006 compared to the same period of the previous year. Net revenues before private equity and other investment-related gains improved by 18%, compared to the fourth quarter of 2005, reflecting the growth in assets under management. Private equity and other investment-related gains totaled CHF 92 million in the fourth quarter of 2006, a decrease of 56% compared to the same period of 2005. Total operating expenses increased 26% in the fourth quarter of 2006, primarily reflecting higher compensation and benefits related to the ongoing efforts to hire new investment talent and build product development and distribution capabilities and other expenses related to the realignment of Asset Management. The pre-tax income margin was 12.1% for the fourth quarter of 2006, compared to 31.8% in the fourth quarter of 2005. Credit Suisse continued to realign Asset Management in the fourth quarter of 2006 as part of the previously announced strategy to reposition businesses with low profitability, reshape the product offering, improve investment and sales processes, and reduce the overall cost base.

Net New Assets

The Wealth Management business generated CHF 50.5 billion of net new assets in 2006, an increase of 18% compared to 2005. In the fourth quarter of 2006, Wealth Management recorded CHF 8.6 billion of net new assets. The Asset Management business reported CHF 50.8 billion of net new assets in 2006, including money market assets of CHF 33.4 billion and alternative investment assets of CHF

12.5 billion. In the fourth quarter, Asset Management recorded a net outflow of CHF 2.9 billion. Overall, Credit Suisse recorded CHF 95.4 billion of net new assets for the full year 2006, including net new assets of CHF 6.9 billion in the fourth quarter. Total assets under management were CHF 1,485.1 billion as of December 31, 2006, an increase of 13% from December 31, 2005.

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Outlook

Credit Suisse believes that the growth prospects for the global economy will remain good and expects client activity to continue at around the levels of 2006. Interest rates are unlikely to increase significantly and valuations for equities are still relatively low. High corporate earnings will attract capital flows into the equity markets, which will continue to trend higher with occasional corrections. Credit Suisse has had a good start to 2007 and is well positioned to capture these growth opportunities with its integrated banking model.

26. On February 15, 2007, the Company filed its Form 6-K for the fiscal year 2006 and fourth quarter 2006, which included the Company's previously reported financial results.

27. On May 2, 2007, Credit Suisse issued its results for the first quarter of 2007, in a press release which stated:

Income from continuing operations grew 17% in the first quarter of 2007 compared to the first quarter of 2006. The return on equity improved to 25.2% in the first quarter of 2007, from 24.4% in the same period of 2006. Diluted earnings per share were CHF 2.42 in the first quarter of 2007, compared to CHF 2.21 in the first quarter of 2006. Credit Suisse generated net new assets of CHF 15.2 billion in Wealth Management and CHF 29.0 billion in Asset Management.

"Our results for the first quarter of 2007 demonstrate the continued progress of our integrated business model," stated Oswald J. Grübel, CEO of Credit Suisse.

He added: "We have achieved a great deal over recent years and I am convinced that under the leadership of Brady Dougan, the new CEO, Credit Suisse will continue to grow and strengthen its profitability."

Core results of the integrated bank

With effect from the first quarter of 2007, Credit Suisse Group is also presenting its results on a core results basis. Core results include the results of the Investment Banking, Private Banking and Asset Management segments and the Corporate Center. However, they exclude revenues and expenses in respect of minority interests in which Credit Suisse does not have a significant economic interest in such revenues and expenses. In the first quarter of 2007, Credit Suisse

reported income from continuing operations before taxes on a core results basis of CHF 3,576 million, up 16% compared to the first quarter of 2006. Net revenues grew 11% to CHF 10,669 million compared to the first quarter of 2006. Total operating expenses increased 6% to CHF 7,040 million compared to the first quarter of 2006.

Investment Banking

The Investment Banking segment reported income from continuing operations before taxes of CHF 1,990 million for the first quarter of 2007, up 27% compared to the first quarter of 2006. Net revenues increased 14% in the first quarter of 2007, mainly reflecting record revenues in debt underwriting, equity and fixed income trading. Provisions for credit losses increased compared to the first quarter of 2006 but remained low in the generally stable credit environment. Total operating expenses rose 7% in the first quarter of 2007 compared to the same period of the previous year, due primarily to higher performance-related compensation expenses reflecting higher revenues. The compensation/revenue ratio was 51.5% in the first quarter of 2007, compared to 53.5% in the first quarter of 2006. The pre-tax income margin rose to 30.2% in the quarter, compared to 27.2% in the first quarter of 2006.

Private Banking

The Private Banking segment, which comprises the Wealth Management and Corporate & Retail Banking businesses, reported income from continuing operations before taxes of CHF 1,439 million for the first quarter of 2007, up 10% compared to the first quarter of 2006.

The Wealth Management business reported income from continuing operations before taxes of CHF 988 million for the first quarter of 2007, up 3% compared to the first quarter of 2006. Net revenues rose 7%, driven mainly by increased net interest income, as well as by higher management fees from managed assets as a result of the increased asset base. The 10% increase in total operating expenses during the quarter was attributable to higher compensation and benefits related to the international expansion in strategic growth markets and higher other expenses mainly due to infrastructure costs associated with the expansion of the integrated banking organization. The pre-tax income margin was 41.5% in the first quarter of 2007, compared to 43.2% in the first quarter of 2006.

The Corporate & Retail Banking business reported a 31% rise in income from continuing operations before taxes to CHF 451 million for the first quarter of 2007 compared to the first quarter of 2006. Net revenues rose 12%, mainly reflecting higher net interest income. Total operating expenses remained unchanged at CHF 546 million in the first quarter of 2007 compared to the first quarter of 2006. The pre-tax income margin was 45.7% in the first quarter of 2007, compared to 39.1% in the first quarter of 2006.

Asset Management

The Asset Management segment reported income from continuing operations before taxes of CHF 257 million for the first quarter of 2007, a rise of 10% compared to the first quarter of 2006. Net revenues increased 3% to CHF 776 million compared to the first quarter of 2006, which was positively impacted by a CHF 85 million gain arising from the sale of assets in an emerging market investment fund. Total operating expenses were virtually unchanged compared to the first quarter of 2006, as the decline in general and administrative expenses offset higher compensation and benefits and commission expenses. The pre-tax income margin improved to 33.1% in the first quarter of 2007 from 31.0% in the first quarter of 2006. As of March 31, 2007, assets under management totaled CHF 708.6 billion, an increase of 5.8% from December 31, 2006.

Net New Assets

The Wealth Management business generated net new assets of CHF 15.2 billion in the first quarter of 2007, representing an annualized quarterly growth rate of 7.8%. This reflected strong contributions from all strategic markets, especially Asia, the US and Europe. The Asset Management business reported strong net new assets of CHF 29.0 billion in the first quarter of 2007, mainly reflecting money market assets of CHF 18.3 billion and alternative investment assets of CHF 8.0 billion. Total assets under management were CHF 1,551.5 billion as of March 31, 2007, an increase of 4.5% from December 31, 2006.

Outlook

Credit Suisse's business pipeline remains robust and it is optimistic about its long-term growth prospects in Investment Banking, Private Banking and Asset Management in view of the healthy macroeconomic environment. Credit Suisse believes that market corrections cannot be excluded in the coming months and expects an increase in market volatility.

28. On May 3, 2007, the Company filed its Form 6-K for the first quarter of 2007, which included the Company's previously reported financial results.

29. In mid-July 2007, Credit Suisse shares declined in tandem with other bank stocks as the credit crunch exposed the poor underlying fundamentals of the banks' mortgage risk management, including at Credit Suisse.

30. On August 2, 2007, Credit Suisse issued its second quarter 2007 results, in a release stating in part:

Credit Suisse Group today announced net income of CHF 3,189 million for the second quarter of 2007. Income from continuing operations increased 70% from the same period a year earlier. Diluted earnings per share were CHF 2.82, up from CHF 1.86 in the same period a year earlier.

Commenting on the quarter, Brady W. Dougan, Chief Executive Officer of Credit Suisse Group, said: "The record operating results for the second quarter continue to build on the strong earnings momentum we have established over the past year. Revenues rose from both the previous quarter and a year earlier and benefited from our client-focused business model. Our focus on efficiency led to improved operating leverage, even as we continue to invest in the growth of our business."

He added: "I am particularly pleased with our performance given the fact that we had more challenging conditions in some markets, which we expect to continue. However, ***I am very optimistic about the long-term growth prospects for Credit Suisse, and I believe that our client-focused, integrated business model and disciplined risk-taking will enable us to deliver superior value to shareholders through market cycles***."

Investment Banking

The Investment Banking segment reported record income from continuing operations before taxes of CHF 2,502 million for the second quarter of 2007, up 94% compared to the second quarter of 2006. Net revenues increased 70% to record levels, with substantial increases in all major business areas. Provisions for credit losses decreased compared to the second quarter of 2006. Total operating expenses increased 60%. Excluding the impact in the second quarter of 2006 of credits from insurance settlements for litigation and related costs, total operating expenses rose 39% in the second quarter of 2007 compared to the same period in 2006, due primarily to higher compensation expenses, reflecting higher revenues, and higher other operating expenses. Investment Banking continued to reduce its non-compensation costs. General and administrative expenses were down 14% in the second quarter of 2007 compared to the second quarter of 2006, excluding the impact of the credits from insurance settlements. This decline reflected a lower fixed cost run-rate despite increased business activity. The compensation/revenue ratio was 51.5% in the second quarter of 2007 compared to 53.5% in the second quarter of 2006. The pre-tax income margin rose to 33.2% in the quarter from 29.0% in the second quarter of 2006.

Private Banking

The Private Banking segment, which is comprised of the Wealth Management and Corporate & Retail Banking businesses, reported income from continuing operations before taxes of CHF 1,381 million for the second quarter of 2007, up 23% compared to the second quarter of 2006.

The Wealth Management business reported record income from continuing operations before taxes of CHF 1,001 million for the second quarter of 2007, up 28% compared to the second quarter of 2006. Net revenues rose 17%, driven by strong improvements in recurring revenues, mainly due to higher asset-based commissions and fees, particularly from managed assets, as well as an increase in transaction-based revenues. The 10% increase in total operating expenses during the quarter was primarily attributable to higher compensation and benefits related to the ongoing strategic investment in the global franchise and higher performance-related compensation in line with improved results. The pre-tax income margin was 42.0% in the second quarter of 2007, compared to 38.3% in the second quarter of 2006.

The Corporate & Retail Banking business reported a 10% rise in income from continuing operations before taxes to CHF 380 million for the second quarter of 2007 compared to the second quarter of 2006. Net revenues rose 10%. The 14% increase in total operating expenses compared to the second quarter of 2006 reflected an increase in compensation and benefits as well as higher other operating expenses. Provisions for credit losses reflected net releases of CHF 28 million, mainly due to the resolution of a single exposure. The pre-tax income margin was 39.2% in the second quarter of 2007, compared to 39.1% in the second quarter of 2006.

Asset Management

The Asset Management segment reported income from continuing operations before taxes of CHF 299 million for the second quarter of 2007, an increase of CHF 272 million compared to the second quarter of 2006. Net revenues increased 26% compared to the second quarter of 2006, driven by asset management and administrative revenues as well as by increased private equity and other investment-related gains. Total operating expenses were down 15% from the second quarter of 2006. The second quarter of 2006 included costs of CHF 152 million associated with the realignment of the Asset Management business, particularly in the US. The pre-tax income margin was 35.1% in the second quarter of 2007. As of June 30, 2007, assets under management totaled CHF 749.6 billion, an increase of 5.8% from March 31, 2007.

Net New Assets

The Wealth Management business generated net new assets of CHF 13.3 billion in the second quarter of 2007, representing an annualized quarterly growth rate of 6.5%. This was driven by particularly strong inflows from Europe and the Americas. The Asset Management business reported strong net new assets of CHF 20.4 billion in the second quarter of 2007, mainly reflecting inflows from money market assets, alternative investments and balanced assets. Credit Suisse's total assets under management were CHF 1,629.0 billion as of June 30, 2007, an increase of 5.0% from March 31, 2007.

First-half 2007 results

Credit Suisse Group posted net income of CHF 5,918 million in the first half of 2007. Income from continuing operations increased 40% from the same period a year earlier. Diluted earnings per share improved to CHF 5.24 in the first half of 2007 from CHF 4.07 in the same period of 2006, and the return on equity amounted to 27.4% in the first half of 2007, up from 23.1% in the first half of 2006.

Acceleration of current share buyback program

As part of its current share buyback program of up to CHF 8 billion, which was launched on May 9, 2007, Credit Suisse Group bought back CHF 2.5 billion by the end of July. It plans to repurchase a further CHF 2.5 billion by the end of 2007 and expects to complete the program during 2008, well ahead of the 2010 target.

31. On October 3, 2007, *Forbes* issued an article entitled "More Cuts At Credit Suisse," which stated in part:

Swiss bank Credit Suisse is cutting 170 jobs to cope with a weak market environment, bringing its total to 320 layoffs in one week. But the firm remains in a far stronger position than Switzerland's other big bank, UBS.

A spokesperson for Credit Suisse blamed ***"the current market environment"*** and ***"diminished client demand"*** for the new batch of firings, which are roughly equally divided between the bond and investment-banking departments. Credit Suisse would not say whether further cuts were planned.

* * *

Credit Suisse said late last month it would shed 150 employees, mainly from its mortgage-backed securities unit, after a turbulent summer following the unraveling of the American home-loan market that left investors reluctant to invest in many kinds of debt.

* * *

The question is whether more job cuts are in the cards across the banking sector. Credit Suisse Chief Executive Brady Dougan said on Wednesday that the mortgage-credit market would remain problematic for the next six to 18 months.

32. On November 1, 2007, Credit Suisse announced third quarter 2007 results, in a release stating in part:

Credit Suisse Group reported income from continuing operations and net income of CHF 1,302 million for the third quarter of 2007, reflecting lower results in Investment Banking and Asset Management. Private Banking remained strong, with

significant increases in both income from continuing operations before taxes and net revenues compared to the third quarter of last year.

Brady W. Dougan, Chief Executive Officer of Credit Suisse Group, said: "The extreme market conditions that characterized the third quarter affected many of our businesses. However, our global diversification and balanced business mix helped us mitigate the impact on our overall performance, maintain solid profitability and deliver a record result for the first nine months of the year."

Commenting on the operating environment, Mr. Dougan continued: "We are seeing encouraging signs that activity in the credit markets is increasing, although it is too early to predict when all of the affected markets will return to more normal levels. The events of the third quarter have reaffirmed the importance of our integrated global model in driving revenues and enhancing efficiency throughout the entire market cycle."

Segment Results

Investment Banking

Investment Banking reported income from continuing operations before taxes of CHF 6 million in the third quarter of 2007, down from CHF 758 million in the same period of 2006. Its performance was significantly affected by the dislocation in the structured products and credit markets, which led to a sharp downturn in results in fixed income. The structured products businesses, including residential and commercial mortgages and collateralized debt obligations (CDOs), recorded a valuation reduction of CHF 1.1 billion, net of fees and hedges. Net revenues also reflected a valuation reduction of CHF 1.1 billion on leveraged loan commitments, net of fees and hedges. Lower fixed income trading results were partly offset by strong performances in interest products, life insurance finance and emerging markets trading. Lower equity trading results reflected a weak performance in proprietary trading, including a loss of approximately CHF 300 million in quantitative trading strategies, partly offset by strong results in the cash equities, equity derivatives and prime services businesses. Fixed income and equity trading also benefited from fair value gains of CHF 622 million due to the widening credit spreads on Credit Suisse debt. Total underwriting and advisory results were down, reflecting lower revenues in debt underwriting, partly offset by higher revenues in equity underwriting and advisory compared to the third quarter of 2006.

Total operating expenses fell by 40% in the third quarter of 2007, as compensation expenses declined in line with lower revenues. The compensation/revenue ratio was 40.0%, compared to 53.5% in the third quarter of 2006. For the first nine months of 2007, the compensation/revenue ratio was 50.0%. For the first nine months of 2007, the pre-tax income margin was 27.7%, compared to 25.1% for the same period of 2006.

Private Banking

Private Banking, which comprises the Wealth Management and Corporate & Retail Banking businesses, reported income from continuing operations before taxes of CHF 1,289 million for the third quarter of 2007, up 26% compared to the same period of 2006.

The Wealth Management business reported income from continuing operations before taxes of CHF 900 million for the third quarter of 2007, up 32% compared to the third quarter of 2006. Net revenues rose 27%, driven by strong improvements in recurring revenues, reflecting higher net interest income and higher commissions and fees - particularly from managed assets - as well as in transaction-based revenues, mainly reflecting higher brokerage and product issuing fees. The 24% increase in total operating expenses during the quarter was primarily attributable to ongoing strategic investments in the global presence of Wealth Management and higher performance-related compensation. The pre-tax income margin was 38.4% in the third quarter of 2007, compared to 37.1% in the third quarter of 2006. For the first nine months of 2007, the pre-tax income margin was 40.7%, compared to 39.7% for the same period of last year.

The Corporate & Retail Banking business reported a 15% rise in income from continuing operations before taxes to CHF 389 million in the third quarter of 2007 compared to the same period of 2006. Net revenues rose 17%. The increase in total operating expenses of 17% compared to the third quarter of 2006 reflected an increase in compensation and benefits as well as higher total other operating expenses. Provisions for credit losses reflected net releases of CHF 16 million. The pre-tax income margin was 39.7% in the third quarter of 2007, compared to 40.3% in the third quarter of 2006. For the first nine months of 2007, the pre-tax income margin was 41.5%, compared to 39.5% for the same period of last year.

Asset Management

Asset Management reported income from continuing operations before taxes of CHF 45 million for the third quarter of 2007. This decrease of CHF 113 million compared to the third quarter of 2006 was mainly attributable to fair value reductions on securities and lower private equity and other investment-related gains. Net revenues declined by 14% compared to the third quarter of 2006. Total operating expenses increased by 3%. The pre-tax income margin was 7.6% in the third quarter of 2007, compared to 22.8% in the third quarter of 2006. For the first nine months of 2007, the pre-tax income margin was 27.0%, compared to 19.7% for the same period of last year. As of September 30, 2007, assets under management totaled CHF 714.1 billion, a decrease of 4.7% from June 30, 2007.

Net New Assets

The Wealth Management business generated net new assets of CHF 9.7 billion in the third quarter of 2007. The Asset Management business reported an

> outflow of CHF 20.9 billion, reflecting outflows of CHF 27.3 billion in money market assets and CHF 0.8 billion in equities, partly offset by inflows of CHF 3.5 billion in balanced assets, CHF 2.0 billion in alternative investments and CHF 1.7 billion in fixed income assets. Credit Suisse's total assets under management were CHF 1,571.3 billion as of September 30, 2007, down 3.5% from June 30, 2007.
>
> **Results for the first nine months of 2007**
>
> Credit Suisse Group posted record net income of CHF 7,220 million for the first nine months of 2007. Income from continuing operations increased by 27% compared to the same period of 2006. Diluted earnings per share from continuing operations rose to CHF 6.43 in the first nine months of 2007, compared to CHF 4.91 in the first nine months of 2006, and the return on equity improved to 22.5% from 21.7%. Both Investment Banking and Private Banking generated record pre-tax income for the first nine months of 2007.

33. On this news, Credit Suisse's ADRs collapsed to close at $63.01 per ADR on November 2, 2007, a decline of almost 10%, from $69.61 per ADR in early October 2007, on volume of 2.5 million ADRs.

34. On February 12, 2008, Credit Suisse issued its fiscal year 2007 and fourth quarter 2007 results, in a press release which stated:

> Credit Suisse Group reported income from continuing operations of CHF 8,549 million for the full year 2007, an increase of 3% compared to 2006. Net revenues on a core results basis also increased 3% to CHF 36,130 million in 2007. Net income in 2007 was CHF 8,549 million, down from CHF 11,327 million in 2006, which included income from discontinued operations of CHF 3,070 million. Diluted earnings per share from continuing operations for 2007 were CHF 7.65 compared to CHF 7.19 for 2006, and were CHF 1.21 for the fourth quarter of 2007 compared to CHF 2.29 for the fourth quarter of 2006. The return on equity was 19.8% in 2007 and 12.4% in the fourth quarter of 2007.
>
> Commenting on the results, Brady W. Dougan, Chief Executive Officer, said: "I am pleased to announce record results for 2007, which we achieved in an extremely challenging environment. Our integrated business model, global reach, strong risk management capabilities and capital position proved important competitive advantages, as we delivered year-on-year growth and sustained profitability. As a result, the Board of Directors is proposing a further increase to the cash dividend to CHF 2.50 per share."
>
> He continued: "The resilience of our business model and our disciplined approach were clearly reflected in our fourth-quarter results. Private Banking delivered strong growth, benefiting from both the expansion of our international

platform in Wealth Management and improved profitability from Corporate & Retail Banking. We contained the impact of the credit market dislocation in Investment Banking and increased revenues from the previous quarter, with strong performances in several major business areas. Our Asset Management division reported a loss in the quarter, reflecting valuation reductions from securities purchased from our money market funds. However, before these valuation reductions, Asset Management continued to perform well, particularly in alternative investments."

He concluded: "Our performance in 2007 provides a strong foundation for 2008. Our earnings base is well diversified by business and geography and we have good growth prospects across our businesses. Our risk management capabilities are strong and we are benefiting from increasing bank-wide efficiencies. We are well capitalized and conservatively funded. Most importantly, our integrated model sets us apart from many of our peers and gives us attractive opportunities for sustainable growth and value creation even in the face of difficult markets. These strengths make me confident in our ability to deliver a superior performance over market cycles."

* * *

Private Banking

Private Banking, which comprises the Wealth Management and Corporate & Retail Banking businesses, reported record income from continuing operations before taxes of CHF 5,486 million for the full year 2007, an increase of 19% from 2006.

In the fourth quarter of 2007, income from continuing operations before taxes was CHF 1,377 million, an increase of 20% compared to the fourth quarter of 2006.

The Wealth Management business reported record income from continuing operations before taxes of CHF 3,865 million for the full year 2007, up 19% from 2006. Net revenues grew 17% to a record level and total operating expenses rose 15%. The pre-tax income margin was 40.3% in 2007 compared to 39.6% in 2006.

In the fourth quarter of 2007, income from continuing operations before taxes was CHF 976 million, up 20% from the fourth quarter of 2006. The 19% growth in net revenues was driven by an improvement in recurring revenues, reflecting higher net interest income and higher commissions and fees, particularly from managed investment products and performance-based fees. Total operating expenses grew 17%, driven by higher compensation and benefits, due to the ongoing strategic investment in the global franchise, and higher total other operating expenses. The pre-tax income margin was 39.4% in the fourth quarter of 2007 compared to 39.0% in the fourth quarter of 2006.

The Corporate & Retail Banking business reported a 19% increase in income from continuing operations before taxes to a record CHF 1,621 million for the full year 2007. Net revenues increased 13% in 2007 to a record level and total operating expenses rose 9%. The pre-tax income margin was 41.2% in 2007 compared to 38.9% in 2006.

In the fourth quarter of 2007, income from continuing operations before taxes was CHF 401 million, an increase of 21% compared to the same period of 2006. Net revenues rose 12% to a record level, reflecting significantly higher total non-interest income. Net releases of provisions for credit losses were CHF 8 million, compared to net releases of CHF 24 million in the fourth quarter of 2006. Total operating expenses rose 4%. The pre-tax income margin was 40.0% in the fourth quarter of 2007 compared to 37.1% in the fourth quarter of 2006.

Investment Banking

Investment Banking reported income from continuing operations before taxes of CHF 4,826 million for the full year 2007, a decrease of 19% compared to 2006, reflecting the challenging operating environment in the second half of the year. Net revenues decreased 2% in the full year, as higher revenues in equity trading, equity underwriting and advisory and other fees were offset by significantly lower revenues in fixed income trading and debt underwriting. Total operating expenses increased 3% from 2006, primarily reflecting credits from insurance settlements for litigation and related costs of CHF 508 million in 2006. The compensation/revenue ratio was 50.6% in 2007 compared to 50.1% in 2006. The pre-tax income margin was 24.0% in 2007 compared to 29.1% in 2006.

In the fourth quarter of 2007, income from continuing operations before taxes was CHF 328 million, a decrease of 86% compared to the strong fourth quarter of 2006. Net revenues declined 36% from the same period a year earlier, due in large part to the impact of the current credit market dislocations on the fixed income businesses.

Net revenues reflected net writedowns in the leveraged finance and structured products businesses of CHF 1.3 billion in the fourth quarter of 2007. The leveraged finance business had net writedowns of CHF 231 million in the fourth quarter of 2007. Within this business, unfunded and funded non-investment grade loan commitments, both leveraged loan and bridge, were CHF 36.0 billion at the end of the quarter, down from CHF 58.6 billion at the end of the third quarter. The majority of the funded and unfunded loan commitments exposure is to large cap issuers with historically stable cash flows and substantial assets. The commercial mortgage-backed securities (CMBS) business had net writedowns of CHF 384 million in the quarter. Within this business, the origination gross exposure was CHF 25.9 billion at the end of the quarter, down from CHF 35.9 billion at the end of the third quarter. The vast majority of the loans are secured by stable, high quality, income-producing real estate to a diverse range of borrowers in the US, Europe and Asia. The residential mortgage-backed securities (RMBS) business had net writedowns of CHF 480 million in the fourth quarter of 2007. Within this business, the net US subprime exposure was CHF 1.6 billion at the end of the quarter, down from CHF 3.9 billion at the end of the third quarter. Other RMBS non-agency exposure was CHF 7.1 billion at the end of the fourth quarter, down from CHF 12.4 billion at the end of the previous quarter. The asset-backed securities collateralized debt obligations (CDO) origination, warehousing and synthetic businesses had net writedowns of CHF 164

million in the fourth quarter. The CDO business had net subprime exposure of CHF 2.7 billion at the end of the quarter, compared to CHF 2.3 billion at the end of the third quarter.

The decline in fixed income trading results in the fourth quarter of 2007, reflecting the dislocation in the structured products and credit markets, was partly offset by strong performances in the interest rate products, fixed income proprietary trading and foreign exchange businesses. Equity trading benefited from strong performances in the global cash, prime services and derivatives businesses in the fourth quarter. Equity proprietary trading returned to profitability after losses in the third quarter. Fixed income and equity trading also benefited from fair value gains of CHF 489 million in the fourth quarter due to widening credit spreads on Credit Suisse debt. Underwriting and advisory revenues declined compared to the fourth quarter of 2006, but improved compared to the third quarter of 2007.

Total operating expenses decreased 9% compared to the fourth quarter of 2006, due primarily to a decrease in compensation and benefits expenses. The compensation/revenue ratio was 53.1% in the fourth quarter of 2007 compared to 42.2% in the fourth quarter of 2006, reflecting a significantly higher level of revenues in the fourth quarter of 2006. The pre-tax income margin was 8.4% in the fourth quarter of 2007 compared to 38.5% in the fourth quarter of 2006.

Asset Management

The Asset Management segment reported income from continuing operations before taxes of CHF 354 million for the full year 2007, a decrease of 30% compared to 2006. Net revenues declined 10% compared to the previous year and total operating expenses were down 5%. The pre-tax income margin was 13.7% in 2007 compared to 17.8% in 2006. As of December 31, 2007, assets under management were CHF 691.3 billion, an increase of 3.2% from December 31, 2006.

In the fourth quarter of 2007, income from continuing operations before taxes was a loss of CHF 247 million, mainly due to valuation reductions of CHF 774 million from securities purchased from our money market funds. In the fourth quarter of 2006, income from continuing operations before taxes was CHF 89 million. The above-mentioned securities were purchased in order to address liquidity concerns caused by the extreme conditions in the US market.

Before the valuation reductions, income from continuing operations before taxes was a strong CHF 527 million in the fourth quarter of 2007. Net revenues declined 52% in the fourth quarter of 2007 compared to the same period of 2006 but increased 53% before the valuation reductions, benefiting from strong asset management and administrative fees, significantly higher private equity and other investment-related gains and performance-based fees, and solid private equity commission. Total operating expenses decreased 7% in the fourth quarter of 2007 compared to the same period a year earlier. The pre-tax income margin was a negative 69.8% in the fourth quarter of 2007 compared to a positive 12.1% in the

> fourth quarter of 2006. Before the valuation reductions, the pre-tax income margin was 46.7% in the fourth quarter of 2007.

35. Then, on February 19, 2008, Credit Suisse issued a press release entitled "Repricing of certain asset-backed positions," which stated in part:

> Further to its commitment to provide transparency, Credit Suisse today announced that in connection with the operation of ongoing control processes, it has undertaken an internal review that has resulted in the repricing of certain asset-backed positions in its Structured Credit Trading business within Investment Banking. The current total fair value reductions of these positions, which reflect significant adverse first quarter 2008 market developments, are estimated at approximately USD 2.85 billion (having an estimated net income impact of approximately USD 1.0 billion). In the first quarter to date, we estimate we remain profitable after giving effect to these reductions. The final determination of these reductions will depend on further results of our review and continuing market developments. We will also assess whether any portion of these reductions could affect 2007 results. Finally, our internal review, which has identified mismarkings and pricing errors by a small number of traders in certain positions in our Structured Credit Trading business, is continuing.
>
> This disclosure is being made in connection with the closing, on February 19, 2008, of USD 2 billion 5.75% Subordinated Notes due 2018.

36. On this news, Credit Suisse's ADRs collapsed to close at $48.22 per ADR on February 19, 2008, on volume of 2.6 million ADRs, a decline of almost 31% from $69.61 per ADR in early October 2007.

37. The true facts, which were known by the defendants but concealed from the investing public during the Class Period, were as follows:

(a) Defendants failed to record losses on the deterioration in mortgage assets and CDOs on its books caused by the high amount of non-collectible mortgages included in the portfolio;

(b) Credit Suisse's internal controls were inadequate to ensure that losses on residential mortgage-related assets were accounted for properly; and

(c) Credit Suisse's traders had put incorrect values on CDOs and other debt securities, concealing the exposure the Company had to losses.

38. As a result of defendants' false statements, Credit Suisse shares traded at inflated prices during the Class Period. However, after the above revelations seeped into the market, the Company's ADRs were hammered by massive sales, sending them down more than 38% from their Class Period high.

LOSS CAUSATION/ECONOMIC LOSS

39. By misrepresenting Credit Suisse's risk profile, the defendants presented a misleading picture of the Company's business and prospects. Thus, instead of truthfully disclosing during the Class Period that Credit Suisse's business was not as healthy as represented, Credit Suisse falsely concealed its impaired mortgage-related assets.

40. These claims of profitability caused and maintained the artificial inflation in Credit Suisse's share price throughout the Class Period and until the truth about its future earnings was revealed to the market.

41. Defendants' false and misleading statements had the intended effect and caused Credit Suisse ADRs to trade at artificially inflated levels throughout the Class Period, reaching as high as $79.29 per share.

42. In July 2007, the market became aware of the problems the banks (including Credit Suisse) had with subprime debt. By November 2007, it was apparent to the market that Credit Suisse would have to write down its debt securities. Then, in February 2008, Credit Suisse announced it would take further charges of $2.85 billion.

43. As a direct result of defendants' admissions and the public revelations regarding the truth about Credit Suisse's profitability and its actual business prospects going forward, Credit Suisse's share price plummeted 10%, falling from $69.61 per ADR in early October 2007 to $63.01 per share on November 2, 2007, a decline of $6.60 per ADR. In February 2008, as a direct result of Company disclosures, the ADRs dropped to $48.22, a decline from early October 2007 of more than

$20 per ADR. These drops removed the inflation from Credit Suisse's share price, causing real economic loss to investors who had purchased the shares during the Class Period.

COUNT I

For Violation of §10(b) of the 1934 Act and Rule 10b-5 Against All Defendants

44. Plaintiff incorporates ¶¶1-43 by reference.

45. During the Class Period, defendants disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

46. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

(a) employed devices, schemes and artifices to defraud;

(b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of Credit Suisse shares during the Class Period.

47. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Credit Suisse shares. Plaintiff and the Class would not have purchased Credit Suisse shares at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by defendants' misleading statements.

COUNT II

For Violation of §20(a) of the 1934 Act
Against All Defendants

48. Plaintiff incorporates ¶¶1-47 by reference.

49. The Individual Defendants acted as controlling persons of Credit Suisse within the meaning of §20(a) of the 1934 Act. By reason of their positions with the Company, and their ownership of Credit Suisse stock, the Individual Defendants had the power and authority to cause Credit Suisse to engage in the wrongful conduct complained of herein. Credit Suisse controlled the Individual Defendants and all of its employees. By reason of such conduct, defendants are liable pursuant to §20(a) of the 1934 Act.

CLASS ACTION ALLEGATIONS

50. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons who purchased or otherwise acquired Credit Suisse ADRs and U.S. residents or citizens who purchased Credit Suisse stock during the Class Period (the "Class"). Excluded from the Class are defendants.

51. The members of the Class are so numerous that joinder of all members is impracticable. The disposition of their claims in a class action will provide substantial benefits to the parties and the Court. Credit Suisse has over 1.0 billion shares outstanding, owned by hundreds if not thousands of persons.

52. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class which predominate over questions which may affect individual Class members include:

(a) whether the 1934 Act was violated by defendants;

(b) whether defendants omitted and/or misrepresented material facts;

(c) whether defendants' statements omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;

(d) whether defendants knew or deliberately disregarded that their statements were false and misleading;

(e) whether the prices of Credit Suisse stock and ADRs were artificially inflated; and

(f) the extent of damage sustained by Class members and the appropriate measure of damages.

53. Plaintiff's claims are typical of those of the Class because plaintiff and the Class sustained damages from defendants' wrongful conduct.

54. Plaintiff will adequately protect the interests of the Class and has retained counsel who are experienced in class action securities litigation. Plaintiff has no interests which conflict with those of the Class.

55. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

PRAYER FOR RELIEF

WHEREFORE, plaintiff prays for judgment as follows:

A. Declaring this action to be a proper class action pursuant to Fed. R. Civ. P. 23;

B. Awarding plaintiff and the members of the Class damages, including interest;

C. Awarding plaintiff's reasonable costs and attorneys' fees; and

D. Awarding such equitable/injunctive or other relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff demands a trial by jury.

DATED: April 21, 2008

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CERTIFICATION OF KEVIN CORNWELL

1. I, Kevin Cornwell, have reviewed the Complaint and have authorized the filing of same;

2. I did not purchase the securities that are the subject of the Complaint at the direction of plaintiff's counsel or in order to participate in any private action arising under this title;

3. I am willing to serve as class representative and provide testimony at deposition and trial if necessary;

4. My transaction(s) in Credit Suisse during the time period Ferbruary 15, 2007 through February 19, 2008, inclusive are set forth below:

Date	Purchase(s) or Sales(s)	Amount	Price
5/15/07	66	$5037.19	$76.321

5. During the previous three years, I have not been a lead plaintiff in the any securities fraud class actions.

6. I will not accept any payment for serving as a class representative beyond my pro rata share of any recovery, except as ordered or approved by the Court with respect to an award for reasonable costs and expenses (including lost wages).

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 17th day of April, 2008, at.

Kevin Cornwell

KEVIN CORNWELL